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"C O N F I D E N T I A L SECTION 01 OF 03 OTTAWA 000795

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SUBJECT: BLUE DAYS FOR LIBERAL LEADER MICHAEL IGNATIEFF

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Classified By: PolMinCouns Scott Bellard, reasons 1.4 (b) and (d)

11. (C) Summary. Liberal Party poll numbers continue to decline, while the Conservatives appear in their strongest position in at least a year. Fundraising has also slowed down noticeably. Leader Michael Ignatieff is clearly on the defensive, but has vowed to do a better job in shaping the political landscape and his own image. Some insiders are skeptical that he can do so, at least before a next election, but see no real alternative right now for the Liberal Party. End Summary.

BRIEF STARDOM

- 12. (C) Michael Ignatieff was widely seen as the savior of the Liberal Party of Canada, the ""Official Opposition,"" when he took over as interim leader from the discredited then-leader Stephane Dion in dramatic fashion in December 2008 (ref a), and was subsequently voted official leader in early May 2009 (ref b). Urban, articulate, bilingual, and with an impressive rolodex of contacts around the world -including in the new Obama Administration -- Ignatieff represented the Liberals' newest and best hope that they could reverse their several years-long slide and emerge in the next election -- probably, they thought, in summer or fall 2009 -- at least with enough seats to form a minority government and finally drive the Conservative Party of Canada out of office. The worldwide recession, Canada's mounting recession, and Prime Minister Stephen Harper's seeming inability to connect viscerally with the voters -- especially among women and in vote-rich Ontario and Quebec -- fueled the Liberals' dream of once again serving as ""Canada's natural governing party."" (This was, of course, before Harper's now famous -- at least in Canada -- surprise performance of the Beatles' ""I Get By With a Little Help From My Friends"" at the National Arts Centre, along with Yo-Yo Ma, on October 3.)
- 13. (SBU) Instead, the Liberals as a party and Ignatieff as a leader are again sliding in the polls, while the Conservatives apparently are going from strength to strength. In an EKOS poll released on October 14, support for the Liberals nationwide (""if an election were held today"") among decided voters had dropped to 25.5 pct, down from over 29 pct only a few weeks ago (ref c). The Conservatives in the same poll were up to 40.7 pct, which arguably could bring them a majority government in a new election any time soon, although the concentration of their support in the western provinces might mean that they would only win another, albeit perhaps stronger, minority government. In the poll, the Conservatives and the Liberals were neck-and-neck in Quebec at about 22 pct of support each, but -- ominously -- the Conservatives were far ahead of the Liberals in Ontario, at 44.1 pct to 31 pct. Surprisingly, support for the Conservatives among women was 36.7 pct versus only 26 pct for

the Liberals. Almost half of those in the EKOS poll felt that Canada was in only a ""mild recession,"" with two-thirds expressing the hope that their own personal financial situation in a year's time will be ""about the same"" or ""better."" Poll after poll has shown that Canadians now put far more trust -- usually between 14 and 20 pct more -- in PM Harper as a leader than they do in Ignatieff, contrary to Canadian conventional wisdom that the ruling party always takes a hit in bad economic times.

AND THE BAD TIMES ROLL ON...

Many Liberal Party insiders have privately begun to express a feeling of ""deja vu all over again"" -- stuck with another leader who ""just doesn't listen,"" the same flaw most attributed to Dion. Complaints have surfaced -- most publicly, by Liberal MP Denis Coderre (ref c) as he resigned as the Liberal Lieutenant for Quebec and as Defence Critic (shadow Defence Minister) -- about Ignatieff's reliance on a handful of Toronto-based advisors, to the exclusion of all other viewpoints, a charge that Ignatieff has rebuffed vigorously. Liberal National Director Rocco Rossi (who, incidentally or not, is from Toronto) admitted privately to PolMinCouns that Ignatieff's closest advisers, like Principal Secretary Ian Davey, do come from Toronto, but indicated that Ignatieff didn't really listen much to them, either. ""He knows his own mind, and the only person whose opinion he really cares about is his wife Zsuzsanna,"" he commented. Others have also pointed to the close-knit nature of their relationship, while insisting that the outgoing Zsuzsanna could be his ""secret weapon"" if ever let loose on the

OTTAWA 00000795 002 OF 003

campaign trail or among the Liberal Party loyalists -- which would, however, go against the Canadian political norm, according to most pundits. (People say exactly the same thing about Laureen Harper, the Prime Minister's vivacious spouse.)

- 15. (C) Liberal Party officials now confess that Ignatieff's long summer holiday mostly out of public sight (ref c) was, in retrospect, a tactical error, only compounding the minor bounce that the sitting government usually gets when Parliament is on recess. Another mistake, in hindsight, was canceling a highly touted trip by Ignatieff to China -- which PM Harper has yet to visit -- in early September after Ignatieff stunned a party gathering in Sudbury, Ontario with the sudden news that the Liberals had finally and truly lost ""confidence"" and ""trust"" in the Conservatives and would henceforth oppose the government. In what is now seen as yet again a tactical mis-step, Ignatieff in a CBC Radio interview that aired on October 10 backtracked by explaining that the Liberals would only vote against the Conservatives on formal confidence votes, while making case-by-case decisions on all other legislative votes. The Liberals are apparently still wrestling with how to vote on pending legislation to extend Employment Insurance benefits, now in a Commons' committee, but have indicated that they may try to delay passage once it reaches the Liberal-dominated Senate -- mostly, to avoid letting the Conservatives and their new-found ally on this issue, the New Democratic Party, get the credit. They admit that there is some risk to this strategy if voters perceive the Liberals as standing in the way of better unemployment coverage, however.
- 16. (C) To underscore worrying trends, Liberal fundraising has plateaued, fundraiser-in-chief Rossi admitted. In the first six months of 2009, the Liberals raised about as much as they had in all of 2008 -- about C\$5 million -- and almost as much as the Conservatives had (C\$7 million). Since then, however, they have picked up almost no new contributions or pledges, although they hold out hopes for some major fundraising events in the fourth quarter of 2009. New memberships were up by about 100,000 in 2009, according to an official of the Office of the Official Opposition, but were

similarly concentrated in the first half of the year. Liberal officials have estimated that approximately one million Liberal voters simply stayed home in the October 2008 election, but are quick to note that many of them were not actually party members.

NO HAPPY TALK

- 17. (C) Many Liberals have been disappointed that Ignatieff's communication skills -- honed as a TV journalist in London and as a Harvard University professor -- have failed to ignite as a politician. According to National Director Rossi, Ignatieff himself laments his own lack of humor, claiming ""I'm a Presbyterian with a Russian ancestry; I live in a humor-free zone."" (Other Liberals have described that, in small, private gatherings, Ignatieff can be both warm and funny, and have even claimed that -- contrary to his egghead image -- his favorite TV shows are ""Desperate Housewives"" and ""Sex and the City."") Rossi also commented on the intellectual Ignatieff's insistence on new substance in each speech, rather than perfecting a good stump speech for general use. As a result, he explained, Ignatieff actually thinks about what he is saying as he says it in each speech, resulting in him often looking up or at his feet as he pondered, rather than connecting with the crowd. Rossi indicated some frustration that Ignatieff seemed unable to absorb helpful critiques on his delivery.
- 18. (C) Ignatieff has admitted publicly that the Conservative Party had been entirely successful in ""framing"" who he is -- ""Michael Ignatieff: Just Visiting"" -- and insisted that he needed to do more to create his own ""frame."" Liberal Party officials are increasingly antsy for Ignatieff to champion some specific substantive policies, a step that the Liberals had previously avoided for fear of falling into Stephane Dion's ""Green Shift"" disaster, in which the Conservatives picked away relentlessly -- and successfully -- at the Liberals' then-signature policy. Numerous Canadian columnists have noted that Canadian voters still do not know what Ignatieff and the Liberal Party now stand for, or how they would govern differently from the Conservatives. The Liberal National Director under Dion, Greg Fergus, wrote in an on-line ""Globe and Mail"" op ed article on October 6 that it was now ""Deep Breath Time for the Liberals, "" requiring ""hard work"" and ""near pitch-perfect delivery" by Ignatieff and the Liberals, as well as urging a new ""thinkers' convention" to come up with some ""freshly minted ideas."" Fergus told PolMinCouns that Ignatieff quickly called him personally to praise the article and that the Liberals have subsequently hired him back as an advisor for the conference,

OTTAWA 00000795 003 OF 003

which will take place in Montreal January 14-16. Other Liberals, however, are dismayed that the party has put off this event until January, leaving the real possibility of continued slump and slide during the fall. Fergus even expressed worries that the Liberals may have entered a period of up to as much as 6-8 years in the ""political wilderness"" of opposition.

BUT NO OTHER CHOICE FOR NOW?

19. (C) For the foreseeable future, however, it is Ignatieff at the Liberal helm. Insiders say that there is no obvious person to replace him, should he do the unthinkable and resign before the next election -- which few now expect before spring 2010 at the earliest (although many remain suspicious that the Conservatives may surprise everyone by somehow triggering one this fall). The only name that still comes up is Bob Rae -- another 62 year old white male from Toronto -- who has now lost the leadership sweepstakes twice and who has privately insisted that his sole remaining political ambition is to be Foreign Minister. Many Liberals are concerned that the ""new blood"" of the Liberal Party is

apparently so anemic, with no real stars on the horizon -- apart from Justin Trudeau, who most describe as eminently likeable but sadly prone to stray off script -- not the sure-fire leadership a successful Liberal Party will need.

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